

Citizens' Advisory Panel for Transportation Funding

Final Report



May 2, 2006

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Report of the Citizens Advisory Panel for Transportation Funding

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Summary of Recommendations

1. Provide new funding sufficient to at least maintain current condition of transportation infrastructure. Provide funding for neighborhood projects, pedestrian and bicycle programs, and for additional transit service. (Please see table below for dollar amounts.)
2. Establish an oversight committee of citizens to be appointed to assure accountability.
3. Implement new funding sources for transportation as follows:
 - a. Levy Lid Lift on property tax to generate \$21.8 million per year (the cost would be approximately \$91 per year for the average residence in the City).
 - b. Commercial Parking Tax to generate \$6 to \$8 million per year (approximately 5% of parking price). Some of the Panel members did not favor a parking tax but agreed that, if implemented, it should be applied to fund the City's portion of the Metro Service Partnership to provide additional transit service to urban job centers such as the downtown.
 - c. A 20-year excess levy to service a \$130 million bond -- \$90 million of which would fund seismic retrofit and rehab of bridges and \$40 million of which would fund new sidewalks (approximately \$43 per year for the average residence in the City).
 - d. The Panel highly recommends that the City dedicate up to \$9 million per year of any additional Cumulative Reserve Funds (CRF) available beyond a base level of \$25 to \$30 million toward reducing the backlog of deferred maintenance on arterial streets.
4. The Panel felt that none of the revenue sources currently available to the City have a very strong relationship to use of the transportation system. Consequently, the Panel recommends that the City continue to encourage the state legislature to authorize local funding sources that better assess users of the transportation system.

Citizens' Advisory Panel for Transportation
Recommended Project/Program Package

	Gap to Maintain Condition ¹	Gap to Eliminate Backlog ¹	Citizens' Advisory Panel ¹
Operations Funding	\$4.9	\$4.9	\$0.0
Maintenance Funding			
Bridges & Structures	\$8.4	\$15.4	(bond)
Bridge Maint & Replacement	\$5.6	\$10.6	
Bridge Seismic	\$1.9	\$3.9	
Stairways & Structures Maint	\$0.9	\$0.9	
Street Maintenance	\$21.3	\$40.6	\$14.1
Arterial Maint and Replacement	\$12.1	\$22.1	\$10.9
Non-Arterial Maint & Repl	\$8.2	\$16.2	\$1.2
Sidewalks, Trails & Walkways	\$1.0	\$2.3	\$2.0
Street Use	\$0.3	\$0.3	\$0.0
Traffic Management	\$4.2	\$6.5	\$2.7
Signs & Markings	\$2.3	\$2.8	\$1.0
Signals, Controllers and ITS	\$1.8	\$3.6	\$1.6
Safety Equipment & Parking	\$0.1	\$0.1	\$0.1
Urban Forestry	\$2.1	\$2.1	\$1.4
Landscaping Maintenance	\$0.9	\$0.9	\$0.8
Trees Maintenance	\$1.2	\$1.2	\$0.6
Subtotal Maintenance Funding	\$36.3	\$64.9	\$18.2
CIP Improvement Programs			
Neighborhood Street and Opportunity Fund			
{ Neighborhood Street Fund	}		
Safety Programs			\$5.0
Pedestrian Programs			
Bicycle Programs			\$2.0
Subtotal CIP Improvement Programs			\$7.0
CIP Projects			\$0.0
Transit			\$4.6
Total Ops, Maint. & CIP Project/Program Costs			\$29.8

Funding Sources (\$M/year)			
Commercial Parking Tax			\$8.0
<i>(% of parking price)</i>			<i>5.0%</i>
Employee Head Tax			
<i>(cost per employee per year)</i>			<i>\$0</i>
Levy Lid Lift			\$21.8
<i>(cost per median HH per year)</i>			<i>\$91</i>
Bond for Bridge Rehab/Seismic + Sidewalks ²			\$10.4
<i>(cost per median HH per year)</i>			<i>\$43</i>
Total Funding			\$40.2
<i>(Total cost per median HH per year)</i>			<i>\$134</i>

1. All funding in \$millions/year except figures in italics.

2. 20-Year Bond Program includes \$90M for bridges and \$40M for sidewalks.

Background

Citizens' Transportation Advisory Committee (CTAC)

In recognition of the ongoing challenges of maintaining an aging transportation system infrastructure while also attempting to expand mobility resources, the Mayor and Council adopted Resolution 3064 in 2003, forming the Citizens' Transportation Advisory Committee (CTAC). The charge to this 12-member committee was to evaluate and make recommendations for new sources to fund major transportation maintenance and neighborhood transportation needs. The Committee was appointed in November 2003 and met several times from December through April 2004.

A summary of the CTAC recommendations is included in Appendix A. In brief, the Committee recognized a major backlog of deferred maintenance (City's transportation infrastructure) of about \$500 million. They further recognized the decline in amounts of dedicated revenues available for transportation. Although the amount needed to eliminate this backlog over 20 years would be over \$50 million per year, CTAC felt that they could only recommend \$25 million per year in new property tax funding. They also noted the need for funding neighborhood projects (sidewalks, crosswalks, bike lanes/trails, etc.) and specified that \$5 million of the \$25 million should be dedicated for these local projects and programs.

The CTAC viewed the Levy Lid Lift property tax funding as a temporary and partial solution to the need for transportation funding. They encouraged the City to continue to work with the State Legislature to authorize new local tax/fee sources for transportation that would have a strong relationship between the amount of tax/fee paid and the benefit (or "burden") of the user of the transportation system. Although the Legislature did pass a fuel tax measure in 2005, those revenues were earmarked primarily for major transportation projects of regional significance. The City will receive only \$2.5 million per year for local transportation projects/programs from this new fuel tax.

Formation of the Citizens Advisory Panel for Transportation Funding

In his 2006 budget address in September 2005, Mayor Nickels indicated that he would propose a Transportation Funding Package in 2006 to close the City's transportation funding gap. In November the Mayor provided the Seattle Department of Transportation (SDOT) and the City of Seattle Department of Finance (DOF) direction to develop a plan for this package.

The Mayor indicated his priorities for projects and programs to be included in the package to be:

- Maintaining Streets and Bridges
- Improving Safety
- Improving our Pedestrian and Bike Modes

The working assumptions for the package were as follows:

- On ballot November, 2006
- Begin providing revenue in 2007
- Provide stable revenue
- Long-term funding stream is desirable
- Provide a mix of voter-approved or council-adopted new funding sources

In developing the transportation funding package, the Mayor directed a three-phase public involvement program:

Citizen's Advisory Panel. This panel was comprised of representatives from neighborhoods, businesses and community organizations with a particular interest in transportation. Their role was to:

- Review transportation funding requirements
- Review potential revenue sources
- Review sample "packages" of funding sources and transportation programs/projects
- Discuss and provide comments and recommendations to the Mayor and City Council on the size of a potential transportation funding package, focus areas for the package and potential funding sources.

Fifteen citizens were appointed to the Panel by the Mayor and the Chair of the City Council Transportation Committee. The panel met six times from mid-February through May 2. Staff support was provided from SDOT, DOF and Council staff.

Stakeholder Focus Groups/Interviews. Three stakeholder focus groups were conducted. A broad range of neighborhood, business, labor and advocacy group representatives were invited to take part. Stakeholders participated in a discussion about SDOT, the state of transportation in Seattle, the need for a long-term transportation funding source and how they would like to see their transportation dollars spent.

Community Meetings. Five open-house/town hall meetings were held in March and April. The meetings were hosted by the Mayor. Information on transportation services, infrastructure and funding was displayed at the meetings. Elected officials and SDOT directors hosted "round-table" discussions with attendees to elicit comments and suggestions on how the City could better meet transportation needs.

Transportation Funding Requirements

The Panel reviewed information on the transportation funding requirements. Specific amounts for each respective area of SDOT operations and maintenance are provided in Appendix B. Following are the key points:

- Over the last decade, dedicated transportation revenues have declined 66%.
- The City has compensated by increasing the amount of General Fund and Cumulative Reserve Fund revenues budgeted for transportation by three-fold.
- Funding is too low to maintain the City's \$8 billion of transportation infrastructure – streets, bridges, sidewalks, stairways, traffic signs and signals.
- Examples of percent of infrastructure in poor condition: 37% bridges, 22% stairways, 19% retaining walls, 16% arterial streets.
- Requirements for *O&M funding* are about \$13 million more than current funding levels.
- The backlog of deferred *Major Maintenance* (rehab and replacement) is over \$500 million and it would take at least \$57 million/year to eliminate the backlog in 20 years.
- *Safety* improvements would require \$10 million annually.
- *Pedestrian and bicycle improvements* require \$7 million to \$10 million per year.
- There is a total need of about \$1.5 billion for *major projects* (Alaskan Way and other large bridge projects).
- The transportation needs identified in the *Neighborhood Plans* exceed \$500 million.

There were three funding thresholds identified for the costs of transportation maintenance.

1. Current Level of Investment. At this level of investment, SDOT will continue the current level of transportation maintenance. Some paving and bridge maintenance will be accomplished, but it will not be enough to prevent further deterioration of the system. The City will experience more potholes and more bridges will be weight-restricted or even closed. The number of faded street signs and crosswalks would increase, and reliability of the traffic control system would worsen.
2. Maintain Current Condition. At this level of investment SDOT could maintain the transportation infrastructure at about the current condition level. There would be funding to stabilize many streets now in fair to good condition to avoid further deterioration. There would be some funding to reconstruct the worst streets but not enough to reduce the backlog. A few of the worst bridges could be rehabilitated and preventive maintenance could be increased to slow deterioration on most others. There would be funding to repair or replace traffic signs and signals to at least keep up with the rate of deterioration.
3. Eliminate Backlog. This level of funding would provide funding to work down the deferred maintenance backlog of transportation infrastructure over approximately 20

years. There would be adequate funding to maintain the infrastructure in fair and good condition in order to minimize the rate of further deterioration and to provide for gradual reconstruction and replacement of the infrastructure in poor condition.

The Panel acknowledged the extent of the maintenance gaps and noted that it is important to maintain a vision of how all modes work together. A sound road system is important to all modes – automobile, transit, freight, bicycle and pedestrian.

Potential Transportation Funding Sources

The Panel reviewed potential transportation funding sources for the City. A history of funding revenues is presented in Appendix C. In the State of Washington, local governments can legally implement only those taxes and fees that are explicitly authorized by the Legislature. Currently, the list of potential funding sources is fairly limited:

1. Levy Lid Lift. The Levy Lid Lift is a property tax-based funding source that can be used to fund transportation needs. Basically, the lid lift is a provision whereby a (simple) majority of the voters can approve an incremental increase in their property tax rates for purposes and timelines as defined in a ballot measure.

The lid lift proceeds could be applied on a “pay-as-you-go” basis or used for debt service payments for Limited Tax General Obligation (LTGO) debt. This is debt issued on the “full faith and credit” of the City but not tied to a specific “bond measure.” As of the end of 2005, the City had a limit of about \$455 million available in unused LTGO debt capacity.

As an example, a Levy Lid Lift raising tax rates by \$0.25 per \$1,000 assessed valuation would generate about \$25 million of new revenues per year. The annual tax burden for a median-valued home in Seattle would be about \$104.

2. Voted Debt. Voted debt is debt approved by the voters for specified and related capital purposes, and is repaid by new excess property tax levies. Excess levies are not subject to the 1 percent annual growth limit or the maximum 1 percent property tax limit. It is in this sense that voted debt is referred to as *unlimited* tax general obligation (UTGO) debt. A UTGO bond measure must be used for capital purposes such as new infrastructure, major rehabilitation or replacement.

The UTGO bond measure requires a supermajority (60%) voter approval and, in addition, the voter turnout must be at least 40% of the last general election. The success of voted bonds in Seattle is spotty. Only 9 of 21 measures proposed have passed; however, all of the failed measures achieved simple-majority approval. Three of these 21 proposed measures have been for transportation.

3. Commercial Parking Tax. A commercial parking tax can be charged city-wide on paid parking -- commercial lots, employee parking where a fee is charged, and private non-monthly, non-residential paid parking. The tax would be imposed on the person paying a fee for the privilege of parking any motor vehicle. The tax would be considered “trust funds” collected by the parking operator/owner, held on behalf of the city, and remitted at monthly or quarterly intervals on a parking tax form administered by the Department of Finance (DOF). The commercial parking tax would not require voter approval. It would require City Council approval and would be subject to voter repeal. Per state law, all proceeds must be used for transportation purposes.

The supply of off-street commercial parking in the greater downtown area is about 64,000 parking stalls and has increased very little over the last ten years. Over the same period, parking prices have increased at an average rate of about 5% per year – about twice the rate of inflation. Occupancy has remained fairly constant (between 70% and 80%) during this time.

Commercial parking operators create a tax base of approximately \$170 million (2004 B&O tax records). A 5% tax could generate at least \$8 million per year and a 10% tax could generate at least \$16 million per year in revenues to the city.

The form of tax that would be most easily understood and administered would be a flat percentage of parking fees.

The following kinds of parking would be taxed:

- Commercial parking lots
- Public transient parking in office buildings
- Other parking where a fee is charged

The following types of parking would not be subject to the tax:

- On-street parking
 - Parking where a fee is not explicitly charged (“free parking”), including parking provided to customers, clients and patrons at most retail stores
 - Parking provided free to employees by employers who own parking facilities
- Residential parking

4. Employee Business License Tax. Under its business license authority, the City could impose a tax on commercial entities on a per-employee basis. This tax would be imposed under the City’s authority to license businesses for regulatory and revenue purposes. Although undefined at this time, the charge would be imposed on firms whose employees do work in Seattle, regardless of the firm’s location. This could include employees who are “based in” or “report to” a work location in Seattle. The rate would be applied either to the number of hours worked, or a calculated or numerical count of full-time equivalent employees (FTE).

The employee business license tax could be implemented by vote of the City Council.

About 440,000 private employees work in the City of Seattle. An employee-based tax of \$10 per FTE per year could generate about \$4 to \$6 million per year. For perspective, Seattle firms paid about \$130 million in B&O (Business and Occupation) taxes in 2004. On a “per-employee” basis this would translate to about \$295 per year.

5. General Fund/Cumulative Reserve Fund. Since 1995, SDOT has lost almost \$20 million in dedicated revenues for transportation – the Street Utility at about \$13 million per year and the Vehicle License Fee at about \$6 million per year. The remaining source of dedicated transportation revenues, the fuel tax, has lost about 35% of its purchasing power over this same period, declining from \$18 million in 1995 to \$12 million in 2005. In order to fill this gap, the City has increased the amount of revenues from the General Fund (GF) and Cumulative Reserve Fund (CRF) by three-fold – from \$14 million in 1995 to \$43 million in 2005.

The GF revenue source is used by the City to fund myriad programs and services in addition to transportation. These include law enforcement, fire protection, parks, libraries, social services, arts and cultural affairs and administration. The CRF revenues are used for low-income housing and other capital projects, as well as transportation. In developing the budget each year, the Mayor and City Council must decide the allocation of these general fund revenues among these programs. There is no “guaranteed” amount for transportation. A potential objective would be to obtain agreement to provide a stable flow of resources over a fixed period of time to achieve one or more transportation project goals.

Developing a Transportation Funding Package

A major challenge that the Panel faced was to develop a funding package that would strike the best compromise between including essential transportation cost elements and selecting amount and type of funding sources that would support those costs. SDOT staff presented several “sample” packages as guidelines. With that background, the Panel developed a unique recommendation (as presented above in “Summary of Recommendations”). This task invoked considerable deliberation. At one point, the total recommended funding package reached \$85 million per year. However, the Panel decided that the voters would not support a package that large and revisited the cost elements in order to reduce the scope. Following is a summary of key points:

- It is important to maintain a *vision* of how all modes work together (automobiles, transit, freight, bicycle and pedestrian) when developing transportation projects and programs. The Panel felt it important to recommend a *balanced* funding package that included resources for all modes of transportation.
- Panel members agreed that the funding package should provide for more than maintenance programs and projects. This vision should include a Safe Routes to School program and funding for neighborhood projects, pedestrian programs, bicycle programs and possibly spot improvements to facilitate freight movement. It

is important that the funding package be balanced with funding for “new” mobility projects as well as for maintenance of existing transportation infrastructure.

- A transportation funding package should describe what the voters are “buying” (with their tax dollars) as specifically as possible. Recent trends indicate that the successful ballot measures clearly state what projects/programs are being funded and what accountability measures are in place to assure that the voters actually get what they approved. The Panel liked the model included in the Pro-Parks levy of 2000.
- The Panel determined not to include funding for the *Alaskan Way Viaduct replacement* in their recommended transportation funding package. Members felt that this project is too large and too controversial. However, they did believe that it would be good to include projects in the funding package that will help mitigate the pending closure of the Alaskan Way Viaduct. These projects could include paving or traffic control on alternate routes, or could include improvement of alternate modes of transportation such as transit or bicycles in the central area.
- The Panel recognized the need for extensive major maintenance in the transportation system. Although it would be highly desirable to eliminate the maintenance backlog, the cost would be too high for taxpayers to bear. In general, the Panel decided to include funding sufficient to at least *maintain the current condition* of the transportation infrastructure and thus keep the backlog from growing. The few exceptions to this general direction are documented below.
- The Panel considered bridge rehab, seismic retrofit and rehab of stairways and structures to be a very important maintenance element. However, in order to contain the amount of a property tax Levy Lid Lift, it was deemed appropriate to fund bridges, structures and sidewalks with a separate bond measure. The bond proceeds would be allocated as follows: \$90 million for bridges and structures, and \$40 million for new sidewalks. This \$130 million bond measure would translate to about \$10 million in annual debt service over 20 years.
- The Panel recommended a \$10.9 million per year funding level for maintenance and replacement of *arterial streets*. This amount would be sufficient to maintain the current condition. The Panel decided that although maintaining *non-arterial streets* is also important, it is not as essential as some other maintenance needs. In order to reduce total costs of the funding package, the Panel recommended a nominal amount of \$1.2 million per year to provide funding to rehab/replace only the most heavily used non-arterial streets. The Panel did recommend funding maintenance of *sidewalks, trails and walkways* at \$2.3 million, which would be sufficient to eliminate the backlog over 20 years.
- The funding level recommended for *Traffic Management* systems was sufficient to maintain the current condition. The one exception was that only \$1.0 million per

year was recommended for maintaining signs and markings. This is below the \$2.3 million per year that would be required to maintain condition of these assets.

- The Panel recommended funding for Urban Forestry (maintaining trees and landscaping) at the \$1.9 million per year level sufficient to reduce the maintenance backlog.
- The Panel noted the success of the Cumulative Reserve Fund and Neighborhood Street Fund (CRF/NSF) program. This program is administered through the Department of Neighborhoods and SDOT. City staff works with neighborhood groups to develop small projects to improve transportation mobility. In recent years this program has funded from 2 – 5 projects per year in each of the 13 neighborhood districts – about 30 projects in total. The Panel decided to recommend a *Neighborhood Street and Opportunity Fund* at \$5 million per year. This fund would include three Capital Improvement Program (CIP) categories: (1) Neighborhood Street Fund, (2) Safety Programs, and (3) Pedestrian Programs.
- Since the Bicycle Program is a more distinct category, the Panel decided to keep it separate and allocate \$2 million per year to it. The Panel noted that SDOT will be working with communities over the next year to develop a *Bicycle Master Plan*. The bicycle improvements funded with the funding package should be in conformance with this plan.
- Although there are many worthy transportation improvement projects, the Panel decided that there was not enough new funding to recommend further amounts for the Capital Improvement Program category.
- The Panel recommended that \$4.6 million/year be included for purchasing additional transit service for the City, provided it be done outside the “40-40-20” allocation policy. Metro has tendered a “Transit Now” partnership proposal that would provide a 50-50 matching fund for purchased transit service.
- The Panel recognized that property owners benefit from a good transportation system and therefore should share responsibility for funding transportation maintenance. However, *property taxes* are not a complete solution to transportation funding. Therefore the City should continue to work with the state legislators to develop other tax or fee-based funding sources that have a closer relationship between the use of the transportation system and the amount of tax/fee paid. The Panel members felt that the *Levy Lid Lift* property tax measure for the funding package should be not exceed \$100 per average household per year. Any tax above that level could encounter voter resistance. This level of taxation would generate about \$25 million per year for the funding package.
- The Panel recommended a small (5%) *parking tax* that would generate about \$6 to \$8 million per year. Some members were reluctant to recommend a parking tax. They felt that downtown businesses would be impacted by higher parking prices

which in turn could discourage patrons. Downtown businesses will be negatively affected by closure of AWW, and adding a parking tax would compound that distress. Other members felt that it was important to spread the tax burden for transportation beyond just property taxpayers. They noted that many parking taxpayers are not Seattle residents but use the City transportation system and therefore should be required to share in paying for maintenance. The Panel agreed that, insofar as possible, parking tax proceeds should be applied to fund the City's portion of the Metro Service Partnership to provide additional transit service to urban job centers such as the downtown.

- The Panel briefly discussed the *Employee Business License Fee* (“Head Tax”), but decided not to recommend it in the funding mix.
- The members felt that the City should be willing to dedicate some amount of *additional General Fund/Cumulative Reserve Funds* to help reduce the transportation maintenance backlog. After some discussion, the Panel decided to recommend that the City dedicate to \$9 million per year of any additional Cumulative Reserve Funds (CRF) available beyond a base level of \$25 to \$30 million toward reducing the backlog of deferred maintenance on arterial streets.
- The Panel reviewed the provisions of a bill (ESHB 2871) recently passed by the Washington State Legislature. This bill authorizes the City to form a Transportation Benefit District (TBD). The TBD would have authority to seek voter approval for any of several fees/taxes for improving or maintaining transportation infrastructure and services. These could include: Vehicle License Fee, Sales Tax, Property Tax, Tolls, or Developer Fees. The Panel noted that these revenues could not be available until 2008 and that none (with the possible exception of tolls) provided a better “nexus” between taxes/fees paid and use of the transportation system than funding sources already available to the City.

Appendix A

Summary of CTAC-II Findings and Recommendations

- The *backlog of deferred maintenance* (transportation system) is about \$500 million.
- At the current funding rate, this backlog can be expected to double in 10 to 15 years.
- Eliminating this backlog of major maintenance and replacement would require about \$50 million per year over the next 20 years.
- An annual amount of \$20 to \$25 million is needed to keep the backlog from growing.
- CTAC-II recognized that *local funding sources for transportation have been declining*. In 1995, the City lost the Street Utility (about \$14M per year, in today's dollars). In 2004, the City lost the Vehicle License Fee (about \$5M per year). Fuel tax revenues have declined by about 35% since the mid-1990's (in real purchasing power).
- The Committee also recognized that the City has tripled the amount of *General Fund and Cumulative Reserve Fund* revenues for transportation since 1995. This funding has largely compensated for the declines in other transportation revenues, but may be difficult to maintain in the future due to I-747 and/or changes in real estate sales.
- CTAC-II recommended a \$25 million per year *Levy Lid Lift*. Of this, \$20 million could be used for major maintenance/replacement and \$5 million could be used for neighborhood projects (sidewalks, crosswalks, bike lanes/paths).
- The Committee viewed the Levy Lid Lift as a *temporary* (7 – 10 year) and *partial* solution to the need for transportation funding. The hope was that the state Legislature would authorize new local option tax/fee sources for transportation that would have a strong "nexus" between the amount of fee/tax paid and the benefit (or "burden") of the user of the transportation system.¹
- The Committee extensively debated whether or not to recommend the *Commercial Parking Tax* as a funding source. The members recognized that this tax is one of only a few local sources authorized for application. However, many of the members felt that the tax was too narrowly focused. In the end, CTAC-II did not recommend the Commercial Parking Tax.
- The Committee did not recommend the *Business License Fee ("Head Tax")*. There was concern that it would apply an additional burden on top of the B&O tax and that the limited potential for revenue did not justify the effort of implementation.

¹ This did not happen in the 2005 legislative session. However, the Legislature did pass a 9.5-cent fuel tax which will provide about \$2.5 million per year for transportation programs in Seattle by 2007.

Appendix B

Transportation Funding Requirements

Operations & Maintenance

Operations Programs	Current Funding	Maintain O&M at Optimum Level ¹	Gap
Bridges & Structures			
Bridge Operations	\$2,023	\$2,023	\$0
Subtotals	\$2,023	\$2,023	\$0
Street Maintenance			
Cleaning Services	\$2,918	\$3,931	\$1,013
Emergency Services	\$551	\$551	\$0
Landscape Services	\$433	\$683	\$250
Subtotals	\$3,902	\$5,165	\$1,263
Street Use			
Right-of-Way Response	\$0	\$250	\$250
Utility Mapping	\$0	\$1,800	\$1,800
Subtotals	\$0	\$2,050	\$2,050
Traffic Management			
Neighborhood Traffic Control	\$422	\$734	\$312
Transportation Options	\$346	\$1,250	\$1,250
Subtotals	\$768	\$1,984	\$1,562
Total Operations	\$6,693	\$11,222	\$4,875
Routine Maintenance Programs			
Bridges & Structures			
Bridge Electrical Maint	\$312	\$601	\$289
Rdwy Structures Maint	\$597	\$1,149	\$552
Stairway Rehab	\$172	\$331	\$159
Subtotals	\$1,081	\$2,081	\$1,000
Street Maintenance			
Restabilization & Reseal Program	\$888	\$1,238	\$350
Surface Maintenance	\$4,031	\$4,031	\$0
Walkway Maintenance	\$186	\$186	\$0
Subtotals	\$5,105	\$5,455	\$350
Street Use			
Contaminated Right-of-Way	\$0	\$250	\$250
Subtotals	\$0	\$250	\$250
Traffic Management			
Parking	\$1,052	\$1,077	\$25
Safety Equipment	\$100	\$157	\$57

Signs & Markings	\$3,103	\$5,364	\$2,261
ITS, Signals & Electrical	\$5,196	\$7,015	\$1,819
Subtotals	\$9,451	\$13,613	\$4,162
Urban Forestry			
Landscaping Maintenance	\$886	\$1,806	\$920
Trees Maintenance	\$1,335	\$2,562	\$1,227
Subtotals	\$2,221	\$4,368	\$2,147
Total Routine Maintenance	\$17,858	\$25,767	\$7,909

1. "Maintain O&M at Optimal Level" includes "Current Level of Funding" (base is 2005 Budget).

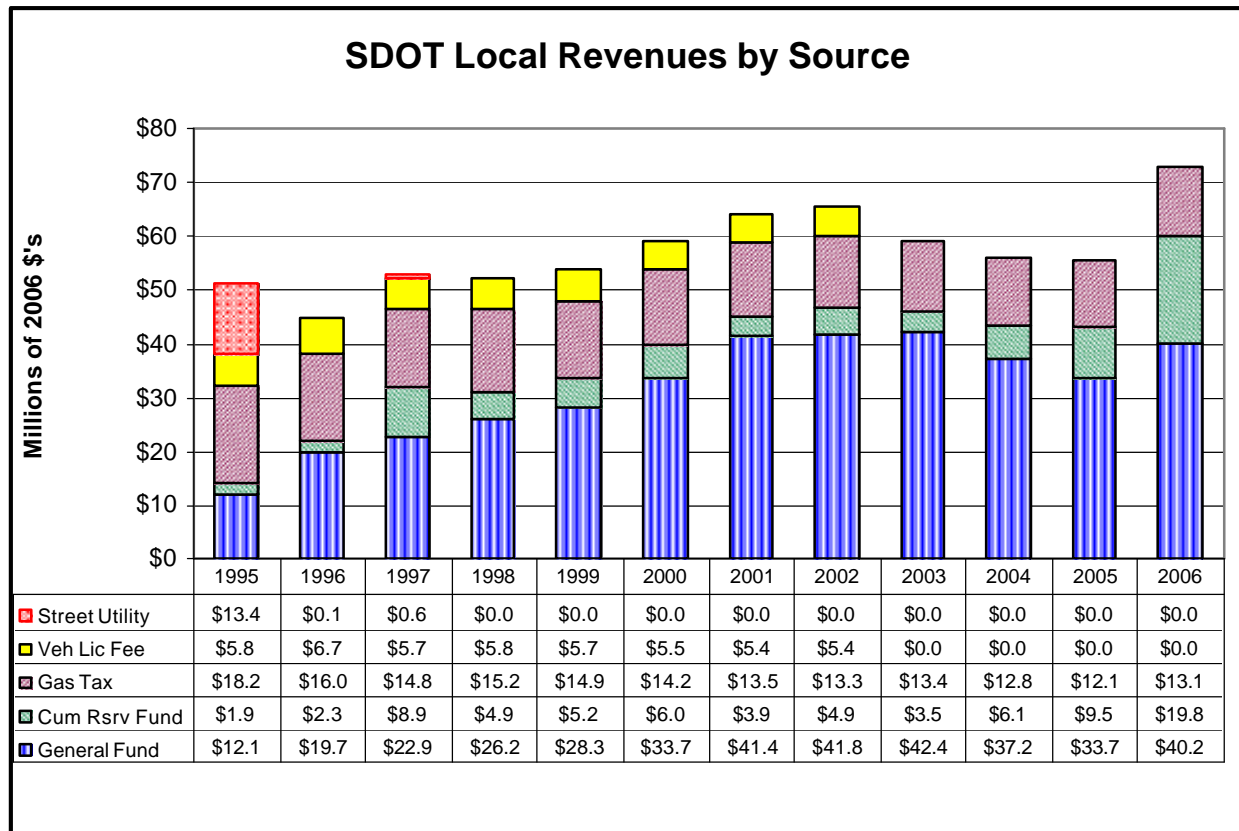
Major Maintenance Programs	2007 CIP (@\$5.5M/ yr CRF) ¹	Maintain Current Condition	Eliminate Backlog ²	Gap to Maintain Condition	Gap to Eliminate Backlog
Bridges & Structures					
Bridge Load Rating	\$108	\$227	\$227	\$119	\$119
Bridge Painting	\$650	\$849	\$849	\$199	\$199
Bridge Seismic	\$75	\$2,000	\$4,000	\$1,925	\$3,925
Hazard Mitigation - Areaways	\$200	\$314	\$314	\$114	\$114
Retaining Wall Replacement	\$366	\$415	\$415	\$49	\$49
Bridge Rehab/Replacement		\$5,000	\$10,000	\$5,000	\$10,000
Subtotals	\$1,399	\$8,805	\$15,805	\$7,406	\$14,406
Street Maintenance					
Arterial Street Rehab/Replace	\$2,895	\$15,000	\$25,000	\$12,105	\$22,105
Hazard Mitigation - Landslide	\$200	\$200	\$200	\$0	\$0
Non-Arterial Resurface/Rehab	\$175	\$8,000	\$16,000	\$7,825	\$15,825
Sidewalk, Walkway and Trail Repair	\$341	\$1,364	\$2,600	\$1,023	\$2,259
Subtotals	\$3,611	\$24,564	\$43,800	\$20,953	\$40,189
Traffic Management					
Street Name Sign Replacement	\$0	\$0	\$567	\$0	\$567
Signal Controller Replacement	\$0	\$0	\$882	\$0	\$882
Signal Equipment Replacement	\$0	\$0	\$941	\$0	\$941
Subtotals	\$0	\$0	\$2,389	\$0	\$2,389
Major Maintenance Total	\$5,010	\$33,369	\$61,994	\$28,359	\$56,984

1. "2007 CIP (@\$5.5M/yr CRF) assumes the 2007 Capital Improvement Fund amounts (for Major Maintenance) including known funding sources with CRF at \$5.5M/year.

This is a "base level" of CRF funding that could be expected in future years.

2. "Eliminate Backlog" includes "Current Level of Funding" plus "Maintain at Current Level"

Appendix C



The above chart shows a history of SDOT local transportation revenues. The figures in the table do not include grant revenues or revenues that the department receives as fees for reimbursement of services. There are several items to note about this revenue history:

- All figures are shown as \$millions of “current” (2006) dollars. So the amounts in the table reflect the actual dollars received in each respective year as “inflated” to 2006.
- In 1995, SDOT (and several other cities in Washington) lost the Street Utility to a State Supreme Court decision.
- In 2003, SDOT lost the Vehicle License Fee due to voter initiative 776.
- The fuel tax revenues decreased in value by 34% from 1995 – 2005. This is due to two factors: (1) fuel taxes are on a “cents-per-gallon” basis and can increase only with consumption, not with increase in fuel prices, and (2) the state distribution formula sets a fixed percentage of fuel tax revenues for cities, so as the number of incorporated cities increases over time, the fuel tax “pie” must be “sliced” into more (and smaller) piece.

- In response to the declining dedicated revenues for transportation, the Mayor and City Council allocated ever-increasing amounts of revenues from the General Fund (GF) and Cumulative Reserve Fund (CRF) from 1996 to present. Since 1995, GF/CRF revenues have been increased over three-fold. These allocations were necessary to “fill the void” and enable SDOT to at least continue providing basic transportation programs and services. However, these supplemental revenues have not been sufficient to contain the growing backlog of deferred maintenance projects. In the future, it will become more difficult for elected officials to allocate these revenues due to the constraints on growth of property tax revenues (1% growth limitations imposed by Initiative 747) and due to declines in Real Estate Excise tax revenues (depending on future variations in the real estate market).
- In 2005, the Legislature passed a 9.5-cent fuel tax measure. This measure provides a small amount directly to cities. In 2006 SDOT will receive about \$1.2 million and in 2007 (and succeeding years) SDOT will receive about \$2.4 million per year.

Appendix D

Seattle History of Levy Lid Lifts and Voted Bonds

Seattle Lid Lift History

Election Date	Name	Duration	Total	Passed?	% Voting Yes
9/86	Low Income Housing	8 year	\$49,975,000	Yes	58%
9/86	Seattle Art Museum	8 years	\$31,430,400	Yes	52%
9/88	Harborfront Park	10 years	\$3,470,000	No	40%
11/90	Families & Educ.	7 years	\$69,207,000	Yes	56%
5/91	Seattle Ctr/Comm. Ctrs	7 years	\$49,968,000	Yes	53%
9/95	Seattle Commons	9 year	\$121,000,000	No	47%
11/95	Low Income Housing*	7 years	\$59,211,000	Yes	54%
5/96	Seattle Commons	5 years	\$50,000,000	No	47%
9/97	Families & Educ. Renewal	7 years	\$69,000,000	Yes	61%
11/99	Seattle Ctr/Comm. Ctrs	8 years	\$72,000,000	Yes	55%
11/00	Parks for All	8 years	\$198,200,000	Yes	55%
9/02	Low Income Housing*	7 years	\$96,000,000	Yes	55%
11/03	Fire Facilities Levy	9 years	\$167,200,000	Yes	68%
9/04	Families & Educ. Renewal	7 years	\$116,788,000	Yes	62%

*Most of this is a special property tax authority outside of the lid lift capacity.

Seattle Voted Bond History

Election Date	Name	Duration	Total	Passed?	% Voting Yes
				Passed?	
11/68	Forward Thrust-Fire	40 year	\$6,200,000		70%
	Forward Thrust-Low Inc.Housing	40 year	\$3,000,000	Yes	58%
	Forward Thrust-Maintenance	40 year	\$3,000,000	No	58%
	Forward Thrust-Neigh.Imp.	40 year	\$12,000,000	No	61%
	Forward Thrust-Sewer	40 year	\$70,000,000	Yes	63%
				Yes	
9/77	Police Station	25 year	\$5,800,000		
				Yes	67%
9/81	Public Housing*	25 year	\$48,170,000	No	81%
11/81	Public Housing	25 year	\$48,170,000		
				Yes	No data
9/83	123-Parks*	20 year	\$31,200,000	No	61%
	123-Public Facilities*	20 year	\$25,111,000	No	60%
	123-Transportation*	20 year	\$40,800,000	No	63%
11/83	123-Parks	20 year	\$31,200,000	No	53%
	123-Public Facilities	20 year	\$25,111,000	No	58%
	123-Transportation	20 year	\$40,800,000	No	54%
9/84	123-Parks	7 year	\$28,000,000	Yes	66%
	123-Public Facilities	7 year	\$22,200,000	Yes	65%
11/94	Books-Library Facilities Bond	3 year	\$155,000,000	No	56%
	Cops-Public Safety	30 year	\$122,500,000	No	51%
11/97	Transportation Improvement	6 year	\$90,000,000	No	57%
11/98	Libraries for All	30 year	\$196,400,000	Yes	69%

* Did not meet the turnout requirement